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Control No. 484235

19 September 1957

MEMORANDUM TO: All Members, EIC Subcommittee on Chemicals


FROM : Executive Secretary, EIC Subcommittee on Chemicals

SUBJECT : Request for Comment on Statement Regarding New Soviet Proposals for Long Term Exchanges of Chemical Industry Delegations

1. The USSR has recently proposed to the Department of State that Soviet and US delegations be exchanged for periods of three to six months in various fields of industry, including the chemical industry. The Department of State has referred the matter to the IAC Ad Hoc Committee on Exchanges which, in turn, has requested a coordinated statement on "net gain" from each appropriate EIC Subcommittee. (See attachment b for more detailed explanation).

2. It has been requested that the coordinated statements be delivered to the IAC Ad Hoc Committee by 26 September. In view of this time limitation it was decided, in consultation with our Subcommittee Chairman, not to convene the Subcommittee for this purpose but rather that the statement would be prepared by the undersigned for your approval or comment.

3. It is requested, therefore, that you review the attached statement on "net gain" (attachment a), and convey any comments you might have to the undersigned, by telephone if you prefer, on code 143, extension 8674 by 12:00 noon, Tuesday, 24 September. If we do not hear from you by that time, your concurrence will be assumed.

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Attachments:

- a. Statement on "Net Gain" Regarding New Soviet Proposals for Long Term Exchanges of Chemical Industry Delegations
- b. Memorandum for Chairman, EIC Subcommittee on Chemicals from Secretary, IAC Ad Hoc Committee on Exchanges, dated 18 September 1957

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Statement by EIC Subcommittee on Chemicals Regarding the "Net Gain" Aspect of the New Soviet Proposal for Long Term Exchanges of Chemical Industry Delegations

1. Promotion of long term exchanges of chemical industry delegations between the US and the USSR in principle should be encouraged since much [REDACTED] on the Soviet chemical industry could conceivably be secured by this method. 25X1X1

25X1X1 2. The exchange of long-term chemical industry delegations with the USSR could result in the accrual of "net gain" to the US * under properly controlled conditions. There probably could be a [REDACTED] gain to the US from an exchange in the fields of nitrogen compounds, fluorine compounds, the electrothermal and electrolytic chemical industries and perhaps others. Conversely, in fields such as petrochemicals, synthetic fibers, and perhaps plastics, the USSR probably would obtain a great deal of important technological information which would outweigh the US [REDACTED] gain so that the net gain would be in favor of the USSR. 25X1X1

3. As indicated in paragraph 2 above, the accrual of "net gain" to the US would depend upon the observance of certain conditions. These conditions are as follows:

a. No blanket approval should be given for exchange of chemical industry delegations. The various sectors of the chemical industry should be considered as separate industries and proposed exchanges for each sector should be weighed separately.

b. US approval of an exchange for any particular sector of the chemical industry should be made contingent upon what Soviet installations the US delegation would be permitted to visit. The US delegations should be permitted to travel widely and visit all of the important installations manufacturing the particular group of products being studied.

4. Regarding the question of the duration of exchange visits no firm commitment should be made by the US. In practically all cases involving exchanges of chemical delegations, the US would stand to gain little in the way of technology and, as a result, US companies

* The term, "net gain to the US," means that the [REDACTED] secured by the US delegations would more than counterbalance the technological information and [REDACTED] secured by the Soviet delegations. 25X1X1 25X1X1

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probably would have to be persuaded to allow their representatives to remain in the USSR for even 60 or 90 days. It would not be in the best interests of the US to allow a Soviet delegation to remain in the US for six months if the corresponding US delegation could remain in the USSR for, say, only 2 or 3 months. It is recommended, therefore, that each proposed exchange be negotiated separately with regard to the duration of the exchange visit.

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